

While the Eighth Circuit's decision necessarily implies that the competing carriers must incur cost in order to combine the unbundled elements, nothing in the decision suggests that the LEC may make that cost as high as possible when a less expensive form of exercising its "right to disconnect" is available -- particularly where the LEC uses the less expensive form when disconnecting for its own purposes.

In addition to the unneeded cost, the choice of physical disconnection virtually guarantees that customers opting for competitive services will suffer service outages of indefinite duration when the competitive carrier seeks to reestablish connections -- service outages that will have a devastating effect on competitors' ability to attract new business. The Commission's undoubted authority to enforce the non-discrimination requirement of section 251(c)(3) includes authority to insure that the ILECs exercise their "right to disconnect" in a manner that minimizes discrimination against competitive carriers.

Even if the ILECs' own internal operations were not an appropriate analogue to the process of connections incident to provision of unbundled elements to a competitor, the Act does not give ILECs carte blanche to impose unneeded expense on the carrier requesting access. Where there is no appropriate analogue in the ILEC's internal operations, the ILEC must show that the access it affords requesting carriers "offers an efficient competitor a meaningful opportunity to compete." Ameritech Michigan ¶ 141. Since BellSouth has deliberately chosen to physically pull wires out rather than utilizing its ability to control connection electronically, it must show that the significant expense imposed by this method -- to say nothing of the delays and interruptions of service -- is consistent with offering efficient competitors a "meaningful

opportunity to compete.”¹⁴

At the very least, BellSouth’s insistence on physical rather than electronic disconnection raises significant issues of discrimination. That being the case, BellSouth must supply additional information as to how it proposes to exercise its “right to disconnect,” before the Commission can determine that it has complied with the checklist. For example, BellSouth needs to explain what type of notice it will provide competitors and what procedures it will follow in allowing access for purposes of combining unbundled network elements without disruption of service. It also needs to explain how it will address the questions that arise in connection with the issue of whether CLECs will be afforded the opportunity to combine, and whether the collocation procedure BellSouth proposes to use is appropriate for the combination of CLEC-disconnected elements. We now turn to those issues.

B. The “right to disconnect” must be exercised in a manner that allows the requesting carrier to combine.

Even if issues of discrimination are put to one side, the ILEC must still comply with its obligation under section 251(c)(3) to provide unbundled network elements “in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service.” Without knowing what procedures BellSouth intends to adopt to allow requesting carriers to combine elements that it has disconnected, the Commission is not in

¹⁴ For example, physically disconnecting wires would cut a customer off from emergency services, while a computer disconnection can let 911 calls through. Entirely apart from the obvious public safety concerns, it seems doubtful that a threat of disruption in emergency services through physical disconnection for any customer switching service to a CLEC is consistent with affording the CLEC a “meaningful opportunity to compete,” particularly when an alternative, less hazardous form of disconnection is available.

a position to assess BellSouth's compliance with section 251(c)(3). For example, how will BellSouth insure that the CLECs will be afforded a realistic opportunity to combine elements without significant disruption of service, particularly emergency service? On what terms will the CLEC technicians be afforded access? What are the arrangements for insuring that CLEC technicians are aware of the technical specifications that must be met in combining the disconnected elements? BellSouth must address these issues before the Commission can make an informed decision regarding its compliance with section 251(c)(3).

C. The collocation procedure does not resolve the problems arising from exercise of the "right to disconnect."

BellSouth has now stated clearly that it believes collocation is the only procedure whereby CLEC technicians may gain access to its network to combine unbundled elements which it has disconnected. BellSouth Brief at 48. BellSouth is wrong as a matter of law; collocation is not required by the Act in order to provide CLECs with the access needed to combine disconnected network elements. And even if it were required, BellSouth's collocation procedure as presently in effect does not address the issue of compliance with BellSouth's obligation to provide unbundled elements in a manner that is nondiscriminatory and allows combination to provide telecommunications service.

1. Collocation is not required by the Act to provide CLECs with the access needed to combine network elements. The Act authorizes the CLECs to collocate in order to place their equipment on the ILECs' premises. The collocation procedure reflects the Constitutional requirement for just compensation, which comes into play when the CLECs place their equipment on ILEC premises and thus permanently occupy ILEC-owned space. But placement

of CLEC equipment on ILEC premises, and permanent occupation of ILEC space, is simply not required when all the CLEC needs is temporary access to the ILEC network to re-establish connections the ILEC has terminated.

The language of the Act reflects the limitation of the collocation procedure to physical placement of CLEC equipment on ILEC premises. Section 251(c)(6) imposes on ILECs the duty to provide “physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier.” 47 U.S.C. § 251(c)(6) (emphasis added). The legislative history of section 251(c)(6) also establishes that it was intended for collocation “of equipment necessary for interconnection at the premises of a LEC.” House Rep. No. 104-204, 104th Cong. 1st Sess., at 73; Conf. Rep. No. 104-458, 104th Cong., 2d Sess., at 120, reprinted at 1996 U.S. Code Cong. & Adm. News at 38, 132 (emphasis added).

Section 251(c)(6) was enacted in response to a court decision denying the FCC authority to give CLECs “a license to exclusive physical occupation of a section of the LECs’ central offices.” Bell Atlantic Telephone Companies v. F.C.C., 24 F.3d 1441, 1446 (D.C.Cir. 1994) (emphasis added), discussed in House Rep. No. 104-204, supra, at 73. As BellSouth correctly notes, at issue in Bell Atlantic was a Commission order directing incumbent LECs to provide collocation space “so that competitors could install their own circuit terminating equipment.” BellSouth Brief at 49, citing 24 F.3d at 1444. The court concluded that conferring an “exclusive right of physical occupation” on the CLECs “would seem necessarily to ‘take’ [the ILECs’] property.” Id. To support this conclusion, the court cited Loretto v. Teleprompter Manhattan

CATV Corp., 458 U.S. 419 (1982), which distinguished between “permanent occupation and a temporary physical invasion,” explaining that only the former requires just compensation under the Takings Clause. Id., 458 U.S. at 434, discussing PruneYard Shopping Center v. Robins, 447 U.S. 74 (1980).

The temporary access that a CLEC technician needs to re-establish connections terminated by the ILEC would be a mere “temporary physical invasion,” not involving permanent placement of equipment on ILEC premises or any other form of “exclusive physical occupation” and thus not requiring compensation under either section 251 or the Takings Clause of the Constitution.¹⁵

In the Eighth Circuit, the ILECs expressed a preference for “allow[ing] entrants access to their networks” in order to combine network elements. Iowa Utilities Board v. FCC, Order on Petitions for Rehearing, 1997 WL 658718 at *2 (Oct. 14, 1997). That was the basis for the favorable decision they obtained from the Eighth Circuit on rehearing. Having invited such access, they are now hardly in the position to claim that it constitutes a “taking” of their property,

¹⁵ BellSouth has agreed that the definition of physical collocation under the 1996 Act is the same as the definition adopted by the Commission in the order reviewed by the D.C. Circuit in Bell Atlantic -- i.e., a definition limited to placement of equipment in ILEC space. BellSouth’s Florida Interconnection Agreement with Sprint states: “Physical Collocation is whereby ‘the interconnection party pays for LEC central office space in which to locate the equipment necessary to terminate its transmission links, and has physical access to the LEC central office to install, maintain, and repair this equipment.’” Sprint Comments in South Carolina proceedings, Exh. C p. 79. The language quoted from the Agreement is from the Commission Order reviewed by the D.C. Circuit in Bell Atlantic. Expanded Interconnection with Local Telephone Company Facilities, 7 F.C.C.Rcd 7369 ¶ 39 (1992). It is noteworthy that this definition refers to CLEC access only for purposes of installing, maintaining and repairing collocated equipment -- not for installing, maintaining or repairing the connection between unbundled elements in the ILEC network.

demanding a level of compensation hitherto reserved for permanent -- and uninvited -- invasions.

The Commission's regulations confirm that the collocation procedure covers permanent placement of equipment on ILEC premises, not temporary access to reconnect unbundled elements. The regulations address the types of CLEC equipment that may be collocated (47 C.F.R. § 51.323(b), (c), (d)(3), (d)(4)); allocation of space (§ 51.323(f)); denial of physical collocation because of space limitations (§ 51.321(e), (f)); construction of physical collocation arrangements (§ 51.323(j)); interconnection between the equipment of different collocating carriers (§ 51.323(h); and connection of CLEC equipment to leased unbundled network transmission elements (§ 51.323(g)). None of this is relevant to temporary access to the ILEC network to re-establish connections the ILEC has terminated.

The regulations also provide -- as does the statute -- for denial of collocation for reasons of space or technical feasibility. 47 U.S.C. § 251(c)(6); 47 C.F.R. §§ 51.323(a)-(f). But space is clearly not a problem when the only issue is temporary access by a CLEC. And if the elements were previously connected in the ILEC network, then technical feasibility also would not be a problem -- unless the ILEC has done more than simply sever a connection, in which case the ILEC would have committed a plain violation of section 251(c)(3).

Indeed, even where the present collocation regulations address the security issue -- an issue which might also arise where CLEC technicians obtain temporary access to restore unbundled network element combinations -- the Commission's regulations address only "security arrangements to separate a collocating telecommunications carrier's space from the incumbent LEC's facilities." 47 C.F.R. § 51.323(i). This confirms that the collocation

procedure addresses only the physical location of CLEC equipment in ILEC space -- not temporary access of CLEC technicians to the ILEC network.

2. Even if collocation were required by the Act, BellSouth's collocation procedure is not appropriate for situations in which all the CLECs need is temporary access to combine network elements. If applied to such situations, BellSouth's collocation procedure would impose excessive costs and place discriminatory burdens on the CLECs.

For example, BellSouth's fee schedule for physical collocation requires an "application fee" of \$4,910. Statement Atch. A at 11. Even if this were reasonable as applied to construction of a cage at a LEC central office to house CLEC-owned equipment, it is totally unreasonable -- and entirely unrelated to the ILEC's costs -- as applied to the one-time access a CLEC technician would need to re-establish a connection between network elements.

A collocation procedure designed for the physical placement of equipment on ILEC premises is ill-suited for the present problem in other respects as well. Collocation is not only expensive; it is also time-consuming, with the typical collocation taking several months. Porter South Carolina Aff't ¶ 11. Again, this may be appropriate and practicable where collocation is a one-time procedure the CLEC must undertake when it first seeks to introduce facilities-based competition in a particular market. But it is neither appropriate nor practicable if it must be undergone every time a CLEC acquires a new customer at a location that can be reached only through purchase of combined elements.

In addition, BellSouth charges a fee for "space construction" for the first 100 square feet, with 50-foot increments thereafter. Statement Atch. A at p. 11. A 100-foot minimum may be

appropriate for establishing the connection between the networks of the two companies, but is wholly inappropriate for the connection between, for example, an unbundled loop and a switch. Porter South Carolina Aff't ¶ 10.

Nor is virtual collocation an answer to these problems. Virtual collocation is a method of connecting the ILEC and CLEC networks at a site other than the ILEC's own premises. But where the connection between two network elements is involved, it is essential that the CLEC have access to the point of connection -- which is typically within ILEC premises.

Even if collocation were required by the Act in the "right to disconnect" situation, the Commission has authority to determine whether BellSouth's collocation procedure is consistent with its obligations under section 251(c)(3). For example, the Commission could determine that the 100 square foot minimum, while appropriate for collocation involving placement of equipment to connect the CLEC's network, is not appropriate merely for combining disconnected network elements. The Commission could also insist that costs determined in connection with permanent placement of equipment (such as BellSouth's "application cost" of \$4910) be redetermined with specific reference to the one-time access of CLEC technicians to combine disconnected elements.

IV. BELLSOUTH'S REFUSAL TO PAY RECIPROCAL COMPENSATION FOR LOCAL CALLS TO ISP PROVIDERS VIOLATES THE COMPETITIVE CHECKLIST.

Item (xiii) of the competitive checklist requires the RBOC to offer or provide "[r]eciprocal compensation arrangements in accordance with the requirements of section 252(d)(2)." 47 U.S.C. § 271(c)(2)(B)(xiii). BellSouth states that it "does not pay or bill local interconnection charges for traffic termination to enhanced service providers because this traffic

is jurisdictionally interstate.” BellSouth Brief at 64. This position violates item (xiii) of the checklist and is a sufficient basis, standing alone, for denying BellSouth’s application.

In addition, entirely apart from the merit (or lack of merit) of its legal position, BellSouth’s refusal to pay reciprocal compensation violates a voluntarily-negotiated interconnection agreement with WorldCom. BellSouth has assumed that it may cavalierly disregard a voluntarily-negotiated interconnection agreement whenever it changes its legal position. Observance of interconnection agreements is a fundamental assumption on which interLATA authority must be based. In BellSouth’s case, such an assumption is shaky at best.

1. Section 251(b)(5) of the Act requires local exchange carriers “to establish reciprocal compensation arrangements for the transport and termination of telecommunications.” 47 U.S.C. § 251(b)(5). It does not expressly limit this obligation or exclude any particular category of traffic. Section 251(g), however, requires continued enforcement of the existing access charge regime, which provides for an alternative system of compensation for the transport and termination of telecommunications carried by two or more carriers. 47 U.S.C. § 251(g). Reading the two sections in relation to each other, it is clear that the reciprocal compensation provision of Section 251(b) was intended to provide compensation for the transport and termination of traffic carried by two or more carriers, where compensation is not already addressed by access charges.

This is the same conclusion reached by the Commission in its Local Competition Order. The Commission explained that the existing regulatory regime, in which interstate and intrastate interexchange traffic was subject to access charges, was to be maintained pursuant to Section

251(g) of the Act.¹⁶ Traffic not subject to access charges would be subject to reciprocal compensation obligations.¹⁷ The simple logic drawn from the Act was that access charges and reciprocal compensation were intended to dovetail to cover all types of traffic carried by two or more carriers; such traffic was to be treated either through reciprocal compensation or access charges. No traffic was to incur both types of treatment. Thus, the Commission clearly established that, under the Act, the termination of traffic carried by two or more carriers not otherwise subject to access charges would be subject to reciprocal compensation. Since local calls to ISPs (whether or not they happen to be CLEC customers) are not subject to access charges, they are subject to reciprocal compensation.

There is presently pending before the Commission a proceeding in which the Association for Local Telecommunications Services ("ALTS") has requested a clarification of the Commission's rules regarding reciprocal compensation for information service provider traffic.¹⁸ However, the Commission must reach the reciprocal compensation issue in this proceeding as well, unless it denies BellSouth's application on other grounds. Whenever the RBOC has determined not to pay reciprocal compensation for local calls to CLEC telephone exchange customers who happen to be ISPs, the Commission cannot approve the RBOC's section 271

¹⁶ Local Competition Order, ¶ 1034.

¹⁷ Id., ¶¶ 1034-1035.

¹⁸ See Comments of WorldCom, Inc. filed July 17, 1997 in Association for Local Telecommunications Services, Request for Clarification of the Commission's Rules Regarding Reciprocal Compensation for Information Service Provider Traffic, CCB/CPD Docket 97-30.

application without first deciding whether the RBOC is complying with the competitive checklist, which includes the obligation to pay reciprocal compensation.

BellSouth argues that the Louisiana Commission's conclusions on reciprocal compensation are "definitive." BellSouth Brief at 64. However, the Louisiana Commission did not pass on the BellSouth's determination not to pay reciprocal compensation for ISP calls; all it did was to approve the level of rates. There is nothing in the Louisiana Commission's Pricing Order determining that BellSouth's rates for reciprocal compensation should not be applied to local calls to CLEC telephone exchange customers who happen to be ISPs.¹⁹

Moreover, even if the PSC had made such a finding, that would not relieve this Commission from its independent obligation to determine whether BellSouth's application complies with all the items on the checklist, including item (xiii). Where this Commission has jurisdiction conferred by Congress to make a specific determination, it is not bound by contrary determinations that State commissions may have made. Ameritech Michigan ¶ 285. Determinations made within a State agency's jurisdiction cannot operate to preclude this Commission from making determinations which Congress has specifically directed it to make. Chicago & N.W. Transp. v. Kalo Brick & Tile, 450 U.S. 311, 324 (1981); Arkansas Louisiana Gas Co. v. Hall, 453 U.S. 571, 580-82 (1981); Nantahala Power & Light Co. v. Thornburg, 476 U.S. 953 (1986).

2. In addition to compliance with the checklist, BellSouth's position on reciprocal

¹⁹ A copy of the Louisiana Commission's pricing order appears at App.C-3, Tab 285.

compensation also has major implications with respect to the public interest issue under section 271. The effect of BellSouth's position is to place information service providers off-limits for competitive carriers, since they would receive no compensation for the vast majority of incoming calls which come from customers of the incumbent LEC. Moreover, BellSouth is now offering its own Internet access service to consumers.²⁰ The result is to place the ISPs in the hands of a monopoly provider of telephone service, while that provider is also competing with them directly for ISP business. This result is totally at variance with the public interest in a competitive market for Internet access.

In addition, BellSouth's newly-adopted legal position is at variance with its obligations under its interconnection agreement with WorldCom's operating subsidiary in Georgia, which requires reciprocal compensation for "Local Traffic" with no exclusions based upon the identity or the characteristics of the Telephone Exchange Service end user receiving the call.²¹

WorldCom is confident that the Georgia Public Service Commission, in the proceeding recently commenced by WorldCom's subsidiary, will require BellSouth to comply with its agreement. However, BellSouth's assumption that whenever it changes its legal position, it can brazenly disregard its existing interconnection agreements, undermines the many points at which it is asking the Commission to approve its application on the basis of commitments it has made as to future conduct, rather than on the basis of demonstrated past performance. Indeed, BellSouth's conduct undermines the fundamental assumption of Section 271 that the RBOC will comply with

²⁰ See attached Declaration of Gary Ball at ¶ 16.

²¹ Ball Decl. ¶ 16.

interconnection agreements it has entered into -- even if its legal position on a particular position may change. BellSouth's conduct reinforces the Commission's admonition that "[p]aper promises of future nondiscrimination are not sufficient." Ameritech Michigan ¶ 269.

V. BELLSOUTH'S ENTRY INTO THE INTERLATA MARKET AT THIS TIME WOULD HARM THE PUBLIC INTEREST.

WorldCom urges the Commission not to reach the public interest test in connection with BellSouth's application. The public interest analysis only takes place once a BOC has satisfied the other requirements of Section 271. Ameritech Michigan ¶ 381. BellSouth has not, and thus the public interest issue need not be reached. If the Commission decides to reach the public interest test, however, it should conclude that interLATA entry by BellSouth would harm the public interest.

1. As the Commission has recognized, the public interest inquiry "should focus on the status of market-opening measures in the relevant local exchange market." Ameritech Michigan ¶ 385. BellSouth has a different view, arguing that the public interest supports its application because the long-distance market is now an "oligopoly," dominated by a few large carriers. BellSouth Brief at 84-101. But the local exchange market, both in Louisiana and the rest of the BellSouth region, is a monopoly, dominated by only one carrier. Moreover, as the Commission has recognized, the long distance marketplace is fully open to competition, and has been subject to a significant degree of competition for close to a decade and a half; there are no dominant carriers in the long distance marketplace; and overall long distance rates have declined

significantly in the past several years.²² Whatever residual imperfections may still exist in the long-distance market pale in comparison to the near-total monopoly that the RBOCs still possess over the local market. On this basis alone, the focus of Congress and the Commission on competition (or the lack thereof) in the local market is fully justified.

In addition, in the long-distance market "switching customers from one long distance company to another is now a time-tested, quick, efficient, and inexpensive process." Ameritech Michigan ¶ 17. Moreover, the RBOCs can take advantage of at least five competing nationwide interexchange networks, as well as a multitude of competing regional networks and the RBOCs' own substantial interoffice networks. Thus the RBOCs will be able to become full service providers overnight once the legal restriction on their entry into the long-distance market is lifted. By contrast, competition in the local exchange market is largely untested, and "the processes for switching customers for local service from the incumbent to the new entrant are novel, complex and still largely untested." Id. Even after all impediments to competition are removed, it will be a long time before competitive carriers will be able to offer full service to all their existing long-distance customers. Yet as BellSouth itself recognizes, the ability to offer full service is crucially important in the marketplace. BellSouth Brief at 98.

In light of this inherent disparity, the public interest requires that before the RBOCs are allowed into the long-distance market, the Commission must have a high degree of certainty that the various methods of competitive entry into the local market contemplated by the 1996 Act are

²² Motion of AT&T to be Reclassified as a Non-Dominant Carrier, 11 FCC Rcd 3271 (1995).

“truly available.” Ameritech Michigan ¶ 391.

BellSouth argues that the public interest favors its entry into the long-distance market because until that happens, the principal IXC carriers have no incentive to enter the local market. BellSouth Brief at 119-20. But BellSouth cites no evidence (other than unsupported remarks by the South Carolina and Oklahoma Commissions) to support the assertion that the major IXC carriers are staying out of local markets in order to forestall RBOC entry into the long-distance market. Indeed, the huge sums being spent by the major IXC carriers to enter the local market belie this assertion.²³ The fact of the matter is that the principal IXC carriers and the RBOCs have similar motives for seeking to enter each others' markets -- both hope to gain additional business offering full service packages (local plus long distance) to their existing customers as well as to others. Moreover, BellSouth ignores the many CLECS who are making a significant effort to enter the local markets.²⁴ The problem in the local markets is not a lack of incentives to compete, but obstacles to competition posed by the monopoly local networks.

In short, Congress concluded “that BOC entry into the long distance market would be anticompetitive unless the BOCs' market power in the local market was first demonstrably eroded by eliminating barriers to competition.” Ameritech Michigan ¶ 18. For this reason, the focus of the public interest inquiry, despite BellSouth arguments, must remain on the status of

²³ See “MCI Widens Local-Market Loss Estimate,” Wall St. J. (July 11, 1997) at A3 (MCI has invested more than \$1 billion in local networks, and is forecasting a loss of some \$800 million).

²⁴ One example of significant commitments already made to acquire competitive local exchange capability is WorldCom's acquisition of MFS in 1996 for some \$12 billion, and its recent agreement to acquire Brooks Fiber for some \$2.4 billion.

competition in the local market.

2. There are a number of significant uncertainties on issues of crucial importance to prospective local exchange competitors, which make it impossible for the Commission to conclude that the BOCs market power has been "demonstrably eroded" and competitive entry is "truly available." Ameritech Michigan ¶¶ 18, 21.

The Commission must recognize that its recently issued universal service and access reform orders only initiate the first steps in a long transition process towards rate structures that are fully conducive to local competition.²⁵ As the Commission recognized in its Access Reform Order, the current access charge and universal service regimes are inconsistent with vibrant local competition. Specifically, the current systems give local incumbents such as BellSouth and their long distance affiliates significant unreasonable advantages over unaffiliated local and long distance competitors. For example, while the Commission in its Access Reform Order plotted out a market-based approach for a transition path that it stated would ultimately lead toward cost-based interstate access charges, that transition will take several years to implement fully. Moreover, in light of the Eighth Circuit's decision in Iowa Utilities Board, it now appears that the market-based approach may not occur as planned, and that a prescriptive approach may be needed -- a prospect that could create further uncertainty as to the timing of the transition to cost-based rates. Access Reform Order ¶¶ 44-46. In the interim, above-cost charges for certain interstate access elements and below-cost charges for other elements will continue to

²⁵ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 97-157 (rel. May 8, 1997); Access Charge Reform, CC Docket No. 96-262, First Report and Order, FCC 97-158 (rel. May 16, 1997) ("Access Reform Order").

significantly distort local and long distance competition. While the effect of at least some of those distortions may decline over time, at this point it is clearly premature to conclude that the local market in Louisiana is truly open to competition.

In addition, pending the development of cost models that would enable high cost support to be distributed on a competitively neutral basis both to large incumbent LECs such as BellSouth and to competitive entrants, BellSouth continues to receive implicit support with respect to those areas. Competitors still have no access to those support flows, and therefore cannot compete against BellSouth to serve customers in those areas. It would be unreasonable to enable BellSouth to offer its rural customers full service packages (local plus long distance) when the lack of full universal service reform prevents other parties from offering such packages.

Moreover, BellSouth's refusal to offer cost-based rates for network elements that the CLEC combines to provide telecommunications service would severely disrupt the Commission's overall strategy in its "trilogy" of rulemaking proceedings to use the local competition engendered by the platform to drive incumbent LECs' access charges toward cost-based levels. The ability of CLECs to combine network elements without paying the higher wholesale rate is essential in order to provide consumers everywhere (even in areas where local facilities construction is uneconomic) their first competitive choices for local telecommunications and "full service" packages.²⁶

The public interest requires that the Commission reject BellSouth's application.

²⁶ See Access Reform Order at ¶ 227.

Commenter: WorldCom, Inc.
Applicant: BellSouth
State: Louisiana
Date: November 25, 1997

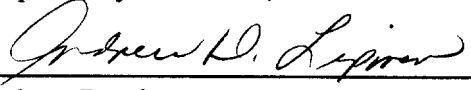
CONCLUSION

For the reasons given, the Commission should deny BellSouth's application for interLATA entry.

Catharine R. Sloan
Richard L. Fruchterman, III
Richard S. Whitt

WORLDCOM, INC.
1120 Connecticut Ave., N.W.
Washington, D.C. 20036-3902

Respectfully submitted,



Andrew D. Lipman
Robert V. Zener
Mary C. Albert

SWIDLER & BERLIN, CHARTERED
3000 K Street, N.W., Suite 300
Washington, DC 20007-5116
202-424-7500

Attorneys for WorldCom, Inc.

Dated: November 25, 1997

Commenter: WorldCom, Inc.
Applicant: BellSouth
State: Louisiana
Date: November 25, 1997

Attachment 1

Declaration of David N. Porter
on PCS

DECLARATION OF DAVID N. PORTER

I, David N. Porter, do hereby declare as follows:

1. My name is David N. Porter. I am Vice President - Regulatory Economics/Policy for WorldCom, Inc. I work with senior managers of WorldCom and its subsidiaries to develop its positions on public policy discussions before state, federal and international regulatory and legislative bodies. I oversee WorldCom's filings before the Federal Communications Commission ("FCC") and in state proceedings on economic and technical issues. I also collaborate on ongoing interconnection negotiations under the Telecommunications Act of 1996.
2. I graduated from the University of Illinois in 1968 with a Bachelor of Science degree in General Engineering and from Roosevelt University, Chicago in 1974 with a Masters in Business Administration. I am Registered as a Professional Engineer in Illinois, New Jersey and New York.
3. I began my telecommunications career in 1967 as an engineer for Illinois Bell. After assignments in traffic, outside plant, local and toll central office and toll facility engineering, I assumed duties as a service cost engineer responsible for designing and completing cost studies to support Illinois Bell rate filings and for establishing the price of equipment, land and buildings to be sold to or purchased from customers and other utilities. In 1976, I transferred to AT&T and was responsible for supervising numerous studies being completed by academicians and scientists intended to demonstrate the technical and economic harms of interconnecting competing communications networks and equipment. Later, I worked on the

AT&T team that negotiated and implemented the breakup of the Bell System. For two years following AT&T's divestiture of BellSouth and the other Bell Operating Companies in 1984, I managed the state and federal regulatory activities for AT&T Information Systems including its attempts to gain state approvals to offer shared tenant services. After that assignment, I was responsible for creating certain AT&T responses in the first triennial review of the Modification of Final Judgment. In the late 1980s, I was responsible for developing policy positions related to state regulatory issues and for managing AT&T's intrastate financial results. For several years thereafter, I advocated AT&T's interests at the FCC on matters concerning enhanced services and wireless services including spectrum management issues. My last position with AT&T was Director - Technology and Infrastructure. I was responsible for advocating AT&T's interests with Members of Congress, the FCC and their staffs on technical matters surrounding local exchange competition.

4. Interconnection between incumbent LECs and providers of Personal Communications Service ("PCS") is in many ways dramatically different from interconnection between competing wireline LECs. Typically, when a PCS provider seeks interconnection with the incumbent LEC, such interconnection is needed at only one point, connecting the PCS central office to the ILEC network. No further connection is needed for individual PCS customers, because each customer is linked by radio to the PCS central office.

5. Some PCS providers may choose to utilize LEC facilities to connect their cell sites to their central office. In such cases, the provider would have to establish a link to the LEC at each cell site. In this situation as well, no further connection is needed for individual PCS customers, because each customer is linked by radio to a cell site.

6. PCS providers do not need most elements that CLECs need. The most important of these elements is unbundled loops, which CLECs typically need and PCS providers do not.

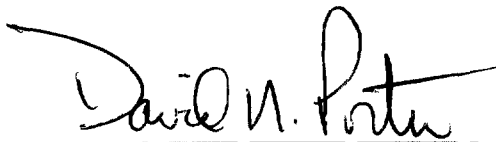
7. For example, in BellSouth's agreement with PrimeCo Communications LP, a PCS provider in Louisiana, the only rates quoted are rates for central office interconnection. These rates, plus the rates for collocation, are typically the only rates of concern for a PCS provider. In addition, if the PCS provider chooses to connect its cell sites to its central office using ILEC facilities rather than radio signals, it would have a need for dedicated circuits to each cell site. The PrimeCo agreement does not provide for connection between its cell sites and central office over ILEC facilities.

8. Given this network architecture, the primary interaction between a PCS provider and the incumbent LEC occurs when the PCS provider establishes its central office (and cell sites, in those cases where the connection between the cell site and the central office is over ILEC facilities). Once those connections are established, it is not necessary for the PCS provider to coordinate with the ILEC each time a customer is added, except with respect to two items: number portability and directory listing. And even with respect to these two items, the importance of prompt and accurate coordination is not nearly as important as for other types of customers. PCS customers do not normally require number portability, because typically the PCS service supplements the wireline service and utilizes a new number. (It is noteworthy that the PrimeCo agreement does not even provide for number portability.) Nor is directory listing as significant as it is for many wireline customers. PCS customers frequently do not want to list their numbers. And even when they do, it is not normally the number a business uses for communication with the general public. For these reasons, PCS providers do not have the

concern for prompt and accurate OSS that wireline providers have.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief.

Executed on November 24, 1997

A handwritten signature in cursive script, reading "David N. Porter", written over a horizontal line.

David N. Porter

Commenter: WorldCom, Inc.
Applicant: BellSouth
State: Louisiana
Date: November 25, 1997

Attachment 2

Declaration of Gary J. Ball
on OSS

(Copy of Declaration filed in BellSouth South Carolina proceeding)

2. I graduated from the University of Michigan in 1986 with a Bachelor of Science degree in Electrical Engineering. After three years as a Radar Systems Engineer, I enrolled in the University of North Carolina Business School, from which I obtained a Masters of Business Administration in 1991. For the past six years, I have worked in the telephone industry. From